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## EU-25

### Poultry and Products

## EC market support measures in the poultry sector 2006

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**Report Highlights:**

The European Commission has amended the regulation on compensation to the poultry sector for the avian influenza crisis. The Commission estimates the maximum support at about Euro 75 million. The poultry sector expects that at most only half of this amount will be allocated.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Brussels USEU [BE2]  
[E3]

Since the beginning of the avian flu crisis, consumption of poultry and eggs had fallen dramatically in some European Union (EU) Member States, leading to a sharp reduction in prices (see GAIN Report E36038 and E36055). On April 25, 2006, the European Agricultural Ministers approved a European Commission proposal for EC financial aid for the European poultry and egg sector (see GAIN Report E36070). The measure, Council Regulation 679/2006, is intended to counter balance the negative market impact of the avian flu crisis in the EU. On July 3, 2006, the details of the market support measures were laid down in Commission Regulation 1010/2006 and published in the Official Journal of the European Commission (see GAIN Report E36106). The Regulation describes the maximum levels of compensation for destruction and depopulation. The Commission Regulation can be downloaded from the website:

<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>, Official Journal L180.

On July 12, 2006, the EC amended the Annexes in Regulation 1010/2006. These amended Annexes (attached to this report), were made public on August 2, but have not been published in the Official Journal of the EC up to this date. Regulation 1010/2006 describes the maximum levels of compensation for destruction and depopulation (see Table 1 and Annexes I - VII). From these figures, the maximum financial aid for destruction and depopulation and the maximum financial aid per Member State are calculated (see Table 2 and 3).

In most Member States, the support will be co-financed by the governments on a 50-50 percent basis, putting in half of the support. The EC reportedly calculated the maximum level of support at about Euro 75 million. The Member States need to send in a proposal for receiving the subsidies. The subsidies will be transferred to the Member States before December 31, 2006. The sector expects, however, that at most only about half of this amount will be allocated. This is due to restrictions laid down in Regulation 1010/2006, in particular the requirement that sets the minimum time span for advancing the slaughtering of the breeding flock at least six weeks before the standard date of slaughtering (Article 4 of 1010/2006). Most support is reserved for the destruction of hatching eggs and breeding birds (see Table 2b), Euro 33.1 million and Euro 32.3 million, respectively. The highest Member State budget is reserved for the French poultry and eggs sector, namely Euro 27.9 million. The following Member States will not receive any financial aid through Regulation 1010/2006: the United Kingdom, Luxembourg, Sweden, Estonia, Lithuania, Latvia and Malta.

<b>Table 1. Maximum level of compensation for destruction and depopulation</b> (Euro/piece or Euro/bird or Euro/m <sup>2</sup> per week)						
ANNEX	Standard chicken	Quality Label chicken	Guinea fowl	Turkey	Duck	Goose
I. Hatching eggs	0.15	0.23	0.23	0.66	0.35	1.20
II. Hatching eggs, proc. (a)	0.03					
III. Chicks	0.24		0.40	0.85	0.54	1.50
IV. Breeding birds	3.20		5.00	15.00	3.20	30.00
V. Out of production (b)	0.46		0.41	0.41	0.62	
VI. Reduced production (c)	0.20		0.40	1.24	0.75	
VII. Ready-to-lay pullets	3.20					

(a) Hatching eggs that are processed into egg products. (b) Voluntary out of production for the period beyond three weeks (compensation per m<sup>2</sup> per week). (c) Voluntary lowering production (compensation per bird).

Table 2a. Maximum support for destruction and depopulation First proposal on July 3, 2006						
(Euro 1,000)						
ANNEX	Standard chicken	Quality Label chicken	Guinea fowl	Turkey	Duck	Goose
I. Hatching eggs	19,908	4,934	1,053	3,882	1,427	1,944
II. Hatching eggs, proc. (a)	3,519					
III. Chicks	5,717		358	134	48	67
IV. Breeding birds	23,077		354	2,982	260	1,838
V. Total depopulation (b)	2,411			12	9	
VI. Reduced production	12,208			631	487	
VII. Ready-to-lay pullets	5,920					

(a) Hatching eggs that are processed into egg products. (b) Voluntary out of production for the period beyond three weeks.

Table 2b. Maximum support for destruction and depopulation Amendment on July 12, 2006						
(Euro 1,000)						
ANNEX	Standard chicken	Quality Label chicken	Guinea fowl	Turkey	Duck	Goose
I. Hatching eggs	16,993	6,008	1,065	3,967	2,115	2,922
II. Hatching eggs, proc. (a)	4,737					
III. Chicks	6,761		402	247	829	214
IV. Breeding birds	26,184		360	3,130	401	2,187
V. Total depopulation (b)	7,474			2,132	179	
VI. Reduced production	15,270			843	416	
VII. Ready-to-lay pullets	6,806					

Table 3. Maximum support per EU Member State (Euro 1,000)		
	Proposal July 3	Amendment July 12
Belgium	0	1,668
Czech Republic	8,224	7,816
Denmark	0	2,937
Germany	6,200	3,400
Greece	6,305	11,093
Spain	4,707	4,707
France	27,031	27,931
Ireland	1,862	780
Italy	11,753	19,627
Cyprus	626	626
Hungary	2,929	6,247
The Netherlands	9,490	9,779
Austria	3,995	1,544
Poland	5,961	7,444
Portugal	3,045	3,045
Slovenia	0	1,890
Slovakia	1,052	1,181
Finland	0	7,260
Total	93,180	111,728

**ANNEX I. Maximum number of hatching eggs**

	Standard chicken	Quality Label chicken	Guinea fowl	Turkey	Duck	Goose
Belgium	368,600	18,000			1,400	
Czech Republic	9,522,800			126,515	587,034	25,181
Germany						1,000,000
Greece	7,704,000	4,105,000		200,000		
Spain	7,800,000					
France	60,000,000	21,450,000	4,166,000	4,960,000	2,663,000	450,000
Ireland				360,000	170,000	
Italy	5,990,000		465,000	220,000	35,000	25,000
Cyprus	442,000					
Hungary	11,119,968	500,000		144,915	1,835,000	805,117
The Netherlands						
Austria	2,000,000	50,000			50,000	40,000
Poland	2,141,098				621,586	77,029
Portugal	6,000,000					
Slovenia	200,000					
Slovakia					80,000	13,000
Total	112,919,866	26,105,000	4,631,000	6,011,430	6,041,620	2,435,327

**ANNEX II.  
Maximum number of hatching eggs,  
processed**

	Chicken	Quality Label chicken
Belgium	3,140,000	60,000
Czech Republic	10,000,000	
Denmark	15,214,440	
Germany		
Greece	4,166,000	
Spain	1,800,000	
France		
Ireland		
Italy	18,760,000	
Cyprus		
Hungary	8,390,000	
The Netherlands	25,000,000	
Austria	700,000	90,000
Poland	64,594,006	
Portugal		
Slovenia	5,000,000	
Slovakia	1,145,000	
Total	154,769,446	90,000

<b>ANNEX III. Maximum number of chicks</b>					
	Chicken	Guinea fowl	Turkey	Duck	Goose
Belgium	50,000				
Czech Republic	2,000,000		90,000	150,000	5,000
Denmark					
Germany					
Greece	4,138,440		10,000		
Spain					
France					
Ireland					
Italy	15,230,000	1,005,900	165,600	137,000	13,000
Cyprus	143,725				
Hungary	2,000,000			1,200,000	100,000
The Netherlands					
Austria	350,000		25,000	50,000	25,000
Poland					
Portugal	4,000,000				
Slovenia	260,000				
Slovakia					
Total	28,122,165	1,005,900	290,600	1,537,000	143,000

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#### Related reports from FAS EU

Report number	Title	Date
E36108	<a href="#">Poultry Annual 2006</a>	07/14/06
E36106	<a href="#">EC market support measures in the poultry sector</a>	07/14/06
E36070	<a href="#">EU financial aid within reach for EU poultry sector</a>	05/05/06
E36055	<a href="#">Avian Influenza: Impact on EU Poultry Trade and Prices</a>	04/07/06
E36038	<a href="#">Avian Influenza: Impact of Outbreaks on European Poultry and Meat Markets</a>	03/07/06

These reports can be accessed through our website <http://useu.usmission.gov/agri/> or through the FAS website <http://www.fas.usda.gov/scripts/attacherep/default.asp>.

**ANNEX IV. Maximum number of breeding birds slaughtered**

	Chicken	Guinea fowl	Turkey	Duck	Goose
Belgium	164,000				
Czech Republic	635,000		11,000	15,000	20,000
Denmark	244,000				
Germany					20,000
Greece	454,300		16,000		
Spain	151,000				
France	1,400,000	60,000	130,000	60,000	12,000
Ireland	32,000			4,000	
Italy	1,957,000	12,000	47,000	1,500	2,400
Cyprus					
Hungary	50,300		4,700	45,000	18,000
The Netherlands	1,293,750				
Austria	140,000				500
Poland	1,060,109				
Portugal	300,000				
Slovenia	252,268				
Slovakia	49,000				
Total	8,018,727	72,000	208,700	125,500	72,900

**ANNEX V. Depopulation, square meter per week**

	Chicken	Guinea fowl	Turkey	Duck
Belgium	75,000			10,000
Czech Republic	155,000		55,000	60,000
Denmark				
Germany				
Greece	2,350,000			
Spain				
France	2,200,000			
Ireland	400,000		400,000	3,000
Italy	7,035,000	178,000	3,812,000	77,000
Cyprus				
Hungary	183,178		30,000	135,000
The Netherlands			100,000	
Austria	450,000		5,000	5,000
Poland	2,600,000		700,000	
Portugal	489,130			
Slovenia	300,000		100,000	
Slovakia	11,000			
Total	16,173,308	178,000	5,202,000	280,000

**ANNEX VI. Reduced production, maximum number of birds**

	Chicken	Guinea fowl	Turkey	Duck
Belgium	4,602,000			20,000
Czech Republic	9,180,000		70,000	300,000
Denmark	8,500,000			
Germany				
Greece				
Spain	15,000,000			
France				
Ireland				25,000
Italy	5,500,000		350,000	
Cyprus	2,626,075			
Hungary				180,000
The Netherlands	23,000,000		200,000	
Austria	200,000		10,000	30,000
Poland				
Portugal				
Slovenia	3,000,000		50,000	
Slovakia	4,734,800			
Total	71,740,875		680,000	535,000

**ANNEX VII.  
Maximum number of  
ready to lay pullets**

	Ready to lay pullets
Belgium	
Czech Republic	
Denmark	
Germany	500,000
Greece	1,550,000
Spain	
France	
Ireland	
Italy	7,000
Cyprus	
Hungary	
The Netherlands	
Austria	70,000
Poland	
Portugal	
Slovenia	
Slovakia	
Total	2,127,000